# Labor and Population Research Brief 20000404 086 RAND Program Approved for Public Pales

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## U.S. Abortion Policy and Fertility

As measured by the total fertility rate (TFR), or the number of lifetime births per woman, fertility in the United States fell sharply in the early 1960s. It dropped below replacement levels in the 1970s, where it remains today. Also in the late 1960s and early 1970s, several states, followed by the U.S. Supreme Court in its 1973 Roe v. Wade decision, legalized abortion. Following legalization, Medicaid funded many abortions, but since then most states have stopped such funding.

What are the links between changes in abortion policy and fertility in the United States? Jacob Alex Klerman explores this question through an analysis of birth statistics by race, age, state, and parity (first or subsequent birth). Despite large numbers of abortions—there is currently more than one abortion for every three live births in the United States—the effect of abortion policy on the number of children born is not clear. Klerman's analysis considers the effects of abortion legalization and funding on fertility. He also reviews the implications of abortion policy for welfare reform, particularly the goals of reducing both out-of-wedlock births and abortion rates.

#### THE EFFECT OF ABORTION LEGALIZATION ON **FERTILITY**

While the simultaneous occurrence of abortion legalization and fertility declines might appear to show that the former was a cause of the latter, in fact the two are not necessarily linked. Some of the couples who aborted their pregnancies after legalization might have chosen another way (e.g., other forms of birth control, abstinence) to achieve the same levels of fertility.

Nevertheless, Klerman finds that legalization of abortion, particularly the broad access afforded by Roe, had some effect in reducing fertility. The effects were larger for first than for subsequent births. That is, legalization had a greater effect on couples who would be having their first child than it did on couples who would be having their second or subsequent child. Legalization had larger effects in cutting the fertility of unmarried women than for married women. Overall, the details of legalization do affect the magnitude of the effect on fertility rates.

#### THE EFFECT OF ABORTION FUNDING ON FERTILITY

After the Roe decision, Medicaid programs nominally treated abortion like any other medical procedure, covering the costs of the procedure for women who could not afford it. Subsequent federal and state actions greatly limited the access to such funded abortions. Data from these varying periods help establish the effects of such funding on fertility rates.

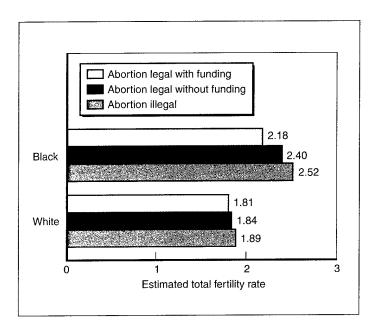
Klerman finds that restrictions on Medicaid abortion funding from 1982 to 1992 had a large positive effect on the fertility of blacks, particularly for higher-order births (i.e., women contemplating their second or subsequent birth). This is consistent with Medicaid eligibility rules (the primary way for qualifying for Medicaid in this period was through participation in AFDC as a poor single mother, i.e., after a first birth). Public funding had significant but smaller effects on the fertility of whites, with the largest effects for whites among younger women.

### **OVERALL IMPACT OF ABORTION POLICY ON TOTAL FERTILITY RATES**

What, then, are the overall effects of abortion legalization and funding on total fertility rates? For whites, all the effects are small (see the figure). The white TFR where abortion is legal and Medicaid funding for the procedure available is estimated to be 1.81. Ending Medicaid funding would increase the TFR for whites by 2 percent. Klerman estimates that making abortion illegal would increase white fertility by an additional 3 percent, still below replacement levels.

For blacks, the effects are larger. The black TFR where abortion is legal and Medicaid funding for the procedure available is estimated to be 2.18. Ending Medicaid funding would increase black fertility by 10 percent. Making abortion illegal would increase the black TFR by another 5 percent.

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The Availability of Abortion Has a Larger Effect on Fertility for Blacks Than for Whites

#### IMPLICATIONS FOR PUBLIC POLICY

Extrapolating these statistical results to a lifetime concept such as TFR is, admittedly, far from precise.

Nevertheless, these data do show that abortion policy has only moderate effects for white fertility but larger effects for black fertility. The results imply that there has been some substitution from other forms of contraception (and abstinence) to abortion. In other words, pregnancies that might have been prevented by contraception are now being aborted instead. The net effect of abortion legalization and Medicaid funding therefore appears to explain little of the decline of American fertility since 1970.

These results have implications for welfare reform. An explicit goal of welfare reform is to lower nonmarital fertility without increasing abortions. Klerman's work suggests that Medicaid funding of abortions would help cut nonmarital fertility but only at the cost of increasing abortions. With respect to welfare policy, these goals thus appear to be in conflict.

RAND research briefs summarize research that has been more fully documented elsewhere. This research brief describes work done in RAND's Labor and Population Program as part of the Population Research Center and supported by a grant from the National Institute of Child Health and Human Development. This research is described in detail in Jacob Alex Klerman, "U.S. Abortion Policy and Fertility," The American Economic Review, Vol. 89, No. 2, 1999, pp. 261–264, reprinted under the same title as RAND RP-800, available from RAND Distribution Services (Telephone: toll free 877-584-8642; FAX: 310-451-6915; or Internet: order@rand.org). Abstracts of RAND documents may be viewed on the World Wide Web (http://www.rand.org). RAND® is a registered trademark. RAND is a nonprofit institution that helps improve policy and decision-making through research and analysis; its publications do not necessarily reflect the opinions or policies of its research sponsors.